

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
INDIANAPOLIS

OFFICE MEMORANDUM

Date: April 24, 2003

To: WPCB members

From: Larry Wu
Rules Development Section, Chief

Subject: Storm Water Rules 5 & 6 Fiscal Impact Analysis

Please find attached the Legislative Services Agency fiscal impact statement for Storm Water Rules 5 & 6 that was published in the April 1, 2003 Indiana Register. This is in anticipation of the public hearing regarding final adoption of amendments to 327 IAC 15-5, and 15-6, Storm Water Run-off Associated with Construction Activity and Industrial Activity (including revisions to 327 IAC 15-2 and 327 IAC 15-3 (#01-95)).

When the estimated economic impact of a proposed rule exceeds \$500,000 IC 4-22-2-28 requires LSA to prepare a fiscal analysis prior to final adoption. LSA concluded for Rules 5 & 6 that estimated annual costs to regulated entities would range from \$1,433,720 to \$1,941,800. **[Please note that the Rule 6 version recommended for final adoption no longer requires agricultural chemical facilities to obtain an NPDES permit unless IDEM makes a specific determination that a problem exists. Consequently, the actual fiscal impact of Rule 6 will be substantially less than summarized in this fiscal.]**

It is this analysis that IC 13-14-9-6(3) requires IDEM to provide to the board. However, we have included as a courtesy to the board a copy of the memorandum from Mary Ellen Gray, IDEM to Diane Powers, Director, Office of Fiscal and Management Analysis, LSA, dated January 24, 2003. The memorandum included the following documents (the fact sheet and proposed rule will not be included in this distribution):

- 1) The fact sheet;
- 2) The proposed rule;
- 3) The fiscal impact memo submitted to the State Budget Agency; and
- 4) Attachments detailing the estimate of the economic impact of the rule:
 - A) Additional costs incurred by the three new industrial sectors regulated under rule 6.
 - B) Cost estimates for submitting SWP3, sample analyses for eight basic parameters, NOI letter development, annual report development, and IDEM application/annual fees, as provided by regulated entities.

- C) Cost estimates for collection and analysis of one (1) annual grab sample, as provided by regulated entities.
- D) IDEM analysis of Economic Impact which includes a summary of the federal economic analysis, as well as Indiana's fiscal impact analysis.